

October 30, 2012

Diana S. Dooley, Secretary
California Health & Human Services Agency
1600 9th St # 460
Sacramento, CA 95814

RE: Start Date for the Healthy Families Transition

Dear Secretary Dooley,

Based on the information provided to date by California Health and Human Services (CHHS) Agency regarding their plans to transition Healthy Families children to Medi-Cal, the undersigned organizations believe that the state is not ready to start the transition on January 1, 2013. We are also deeply concerned that the timetable for transition implementation is being driven unnecessarily by an arbitrary January 1, 2013 start date. ***We strongly urge CHHS to reconsider starting the transition on January 1, 2013 and instead adopt a realistic timeframe that will ensure a smooth transition and guarantee children access to a provider, without jeopardizing the care of children currently in Medi-Cal.***

As California leads the nation in implementing the Affordable Care Act, it is imperative that significant transitions such as this be successful as California looks forward to adding new populations into the Medi-Cal program. We need to commit to improving the Medi-Cal system and guarantee adequate provider networks throughout this transition. This work will help prepare Medi-Cal for the future ACA expansion that we all want to be as successful as possible.

We further believe that such haste may disrupt care not only for the transitioning children but also for the 3.7 million children currently in Medi-Cal. As discussed in the October 16th joint oversight hearing of the Senate Budget and Fiscal Review & Health Committees, ***CHHS has not yet developed an implementation plan for the critical first phase of the transition as required by law.*** The Transition Strategic Plan previously submitted does not contain critical implementation details required by legislation.

The Budget Trailer Bill Language (AB 1494) calls for an implementation plan to include "information on health and dental plan network adequacy, continuity of care, eligibility and enrollment requirements, consumer protections and family notifications." Most notably, the Transition Strategic Plan does not meet these elements because it does not include information on health and dental plan network adequacy or continuity of care. Instead, the Transition Strategic Plan lays out a *process* for how network adequacy will be assessed but fails to provide information on the outcomes of such assessments, which should inform the implementation plan for each phase of the transition.

Beyond meeting statutory requirements, an implementation plan should lay out a reasonable timeline for all of the operational activities and requirements needed for the transition to be successful. The Transition Strategic Plan merely provided a timeline of major milestones for the entire transition. What's missing is a step-by-step timeline that sequences each needed step based on reasonable timing assumptions. The timetable ought to set out elements that need to be in place prior to sending out notices to families, such as federal approval, evaluation of network adequacy, and determination of sub-phases. More specifically, federal approval should occur before eligibility and premiums are explained to families and before final eligibility guidance is sent to counties. Once those assurances are in place, the timeline should allot time

to adequately train eligibility staff. Furthermore, a positive assessment of network adequacy (for *both* medical and dental providers) should be determined, and which children would transition in phase 1a and phase 1b should be established *before* notices go out to families. That is the only way to ensure that the notices are clear, informative, and not so general as to be confusing. Specificity on these items in the implementation is necessary in order to determine a realistic start date for transitioning children.

The CHHS implementation process appears not to give these vital steps the due diligence required. In order to meet a January 1 start date, it appears unlikely the State can complete the required steps in the appropriate sequence, and thus we recommend establishing a more realistic date driven by readiness.

We would appreciate a response from CHHS to our request to abandon the non-legislated start date of January 1, 2013 and meet the legislative requirements to develop and submit a Phase 1 implementation plan with a realistic timeline based on reasonable assumptions of when key features of implementation will occur. We look forward to continuing to work with state staff to make sure this transition goes smoothly and does not result in any gaps in coverage or care. Such problems would create an unfortunate negative public perception of the State's capacity to implement health care reform and also jeopardize the health of millions of children both covered by Medi-Cal and Healthy Families.

Sincerely,

American Academy of Pediatrics – California District
California Academy of Family Physicians
California Coverage & Health Initiatives
California Family Resource Association
California Immigrant Policy Center
California Pan-Ethnic Health Network
California Primary Care Association
California School Health Centers Association
California State Rural Health Association
Children Now
Children's Defense Fund-California
First 5 LA
Latino Coalition for a Healthy California
Latino Health Alliance
Los Angeles Trust for Children's Health
PICO California
Small Business California
The Children's Partnership
United Ways of California
Vision y Compromiso

cc: Members of the California Legislature